

MEDIA STATEMENT - FOR RELEASE ON 24 FEBRUARY 2017

**RELEASED BY CEF (SOC) LTD ON BEHALF OF THE DEPARTMENT OF ENERGY
ENQUIRIES: MRS LERATO NTSOKO 082 459 2788 / MR J MOKOBANE 082 766 3674**

1. PRICE CHANGES TO BE EFFECTED ON WEDNESDAY 01 MARCH 2017

Product:

Both Grades of Petrol 93 and 95 (ULP & LRP)	8.000	cents per litre decrease in retail price
Both Grades of Diesel 0.05% & 0.005% Sulphur	2.000	cents per litre decrease in wholesale price
Illuminating Paraffin (Wholesale)	8.000	cents per litre decrease in wholesale price
Illuminating Paraffin (SMNRP)	10.000	cents per litre decrease in the Single Maximum National Retail price (SMNRP)
Maximum Retail Price for LPGAS	2.000	cents per kilogram decrease in the maximum retail price

2. ECONOMIC FACTORS AFFECTING THE UNIT OVER/UNDER-RECOVERIES FOR THE PERIOD 27 JANUARY 2017 TO 23 FEBRUARY 2017

The average international product prices of Petrol, Diesel and Illuminating Paraffin increased during the period under review.

The Rand appreciated against the US Dollar during the period under review, on average, when compared to the previous period. The average Rand/US Dollar exchange rate for the period 27 January 2017 to 23 February 2017 was 13.2899 compared to 13.5831 during the previous period. This led to a lower contribution to the Basic Fuels Price on petrol, diesel and illuminating paraffin by 13.44 c/l, 12.93 c/l and 12.80 c/l respectively.

3. SLATE LEVY

In line with the Self-Adjusting Slate Levy Mechanism Rules, the Slate levy on petrol and diesel will remain at 0.00 c/l with effect from 01 March 2017.

4. SINGLE MAXIMUM NATIONAL RETAIL PRICE FOR ILLUMINATING PARAFFIN (SMNRP)

The Single Maximum National Retail Price for the period 01 March 2017 to 04 April 2017 will be 966.0 c/l compared to 976.0 c/l for the period 01 February 2017 to 28 February 2017.

5. MAXIMUM LPGAS REFINERY GATE PRICE

The maximum refinery gate price will be R 7 868.21 per metric ton (436.69 c/l), excluding VAT, for the period 01 March 2017 to 04 April 2017.

6. PRICE ADJUSTMENT

In terms of the agreed mechanism:

- (a) Price changes are adjusted in such a manner that the over- or under-recovery during the prior month will be corrected in the following month; and
- (b) The unit over- or under-recoveries are rounded up or down to the nearest full cent so that the effect of rounding contributes to the clearing of the cumulative balance of the individual products on the slate.
- (c) In order to manage a negative balance in the Cumulative over/(under) recovery account (the Slate), a Self-Adjusting Slate Levy Mechanism (SLM) was implemented with effect from 7 January 2009 (the SLM is available on the website of the Department of Energy). A Slate levy will only be applicable on all petrol and diesel grades if the Slate balance is negative (cumulative under recovery) by more than R250.0 million

7.

ANALYSIS OF THE ELEMENTS THAT RESULTED IN THE BFP OVER/(UNDER)-RECOVERIES

The over/(under)-recoveries for the period under review were affected by the factors set out below, which can be quantified as follows:

	Petrol 95 ULP c/l	** Diesel 0.05% c/l	** Diesel 0.005% c/l	Illuminating Paraffin c/l
<u>Movements in external factors</u>				
Movement in International Product Prices	(6.234)	(11.283)	(11.351)	(4.438)
Movement in Exchange Rate	13.443	12.925	12.978	12.801
<u>BFP Over/(under)-recovery for the period 27/01/2017 to 23/02/2017</u>	7.209	1.642	1.627	8.363

8. BREAKDOWN OF PRICE ADJUSTMENT

Petrol 95 ULP & LRP	Diesel 0.05(%) Sulphur	Diesel 0.005(%) Sulphur	Illuminating Paraffin Wholesale	LPGAS (Gauteng, Zone 9C)
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**The price adjustments in (1) above are based
on the following actual data:**

Average product over/(under)-recovery, measured for the 20 days from 27/01/2017 to 23/02/2017 (cents / litre) as detailed below

7.209	1.642	1.627	8.363	N/A
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Cumulative positive/(negative) slate balances end of January 2017 (R-million)

1 739.791	1 805.367	1 805.367	(3.479)
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**The price adjustments consist of the following
elements:**

	<u>c/l</u>	<u>c/l</u>	<u>c/l</u>	<u>c/l</u>	
Average product over/(under)-recovery rounded to the nearest full cent for price (increase) / decrease	8.000	2.000	2.000	8.000	2.000
<u>Total price (increase) / decrease</u>	8.000	2.000	2.000	8.000	2.000

9. REPORT OF THE INDEPENDENT AUDITORS

The report of the independent auditors is available on request.

10. **COMPOSITION OF THE MAXIMUM RETAIL PRICES FOR LPGAS AT THE COAST (ZONE 1A) AND IN THE INLAND AREA (ZONE 9C) IN CENTS PER KILOGRAM FOR THE PERIOD 01/03/2017 TO 04/04/2017 WILL BE AS FOLLOWS**

<u>Price element</u>	Coast Zone 1A	Inland Zone 9C
Maximum refinery gate price	786.821	786.821
Primary transport costs	38.456	182.295
Operating expenses	380.591	380.591
Working capital	28.849	28.849
Depreciation	140.326	140.326
Gross margin: Cylinder-filling plant	179.306	179.306
Sub-total (1)	1 554.350	1 698.188
Retail Margin: (15% of Subtotal (1))	233.152	254.728
Sub-total (2)	1 787.502	1 952.917
Value Added Tax (14% Sub-total (2))	250.250	273.408
Maximum Retail Price (Rounded to full cents)	2 038.000	2 226.000

11. The annexure attached contains details of the composition of product prices as well as history of the price changes.

ANNEXURE 1

COMPOSITION OF THE RETAIL PRICE OF PETROL AND THE WHOLESALE PRICES FOR DIESEL AND IP IN GAUTENG FOR THE PERIOD 01/03/2017 TO 04/04/2017 WILL BE AS FOLLOWS:

	Petrol 95 ULP c/l	Petrol 93 ULP & LRP c/l	Diesel 0.05% S c/l	Diesel 0.005% S c/l	Illumi- nating Paraffin c/l
Wholesale margin	35.600	35.600	67.660	67.660	67.660
Secondary Storage	17.900	17.900	17.900	17.900	17.900
Secondary Distribution	17.300	17.300	17.300	17.300	17.300
Router Differential	0.000	0.000	0.000	0.000	7.400
Retail margin	176.400	176.400	0.000	0.000	0.000
Zone differential in Gauteng	41.000	41.000	41.000	41.000	57.200
IP Tracer levy	0.000	0.000	0.010	0.010	0.000
Fuel levy	285.000	285.000	270.000	270.000	0.000
Customs & excise duty	4.000	4.000	4.000	4.000	0.000
RAF levy	154.000	154.000	154.000	154.000	0.000
Petroleum Products levy	0.330	0.330	0.330	0.330	0.000
Slate levy	0.000	0.000	0.000	0.000	0.000
DSML	10.000	0.000	0.000	0.000	0.000
Equalisation Fund Levy	0.000	0.000	0.000	0.000	0.000
Pump Rounding	(0.400)	(0.400)			
Sub-total	741.130	731.130	572.200	572.200	167.460
<u>Contribution to the Basic Fuel Price</u>	612.870	598.870	588.630	591.030	583.128
<u>Retail Price</u>	<u>1,354.00</u>	<u>1,330.00</u>			
<u>Wholesale price</u>			<u>1,160.830</u>	<u>1,163.230</u>	<u>750.588</u>

STATISTICS OF PRICE CHANGES

Effective from:	Petrol 95 ULP		Diesel		Illuminating Paraffin		LPGAS	
	Gauteng	Coast	Gauteng	Coast	Gauteng	Coast	Gauteng	Coast
	SA c/l	SA c/l	SA c/l	SA c/l	SA c/l	SA c/l	SA c/Kg	SA c/Kg
	From 4 January 2006 0,05% Sulphur							
04-Jan-12	1 061.00	1 031.00	1027.690	1007.290	788.428	752.528	2 121.00	1 939.00
01-Feb-12	1 095.00	1 065.00	1026.690	1006.290	785.428	749.528	2 171.00	1 989.00
07-Mar-12	1 123.00	1 093.00	1037.070	1016.670	789.428	753.528	2 207.00	2 025.00
04-Apr-12	1 194.00	1 159.00	1088.970	1064.270	816.028	774.128	2 275.00	2 093.00
02-May-12	1 222.00	1 187.00	1098.370	1073.670	825.028	783.128	2 306.00	2 124.00
06-Jun-12	1 167.00	1 132.00	1073.550	1048.850	804.028	762.128	2 207.00	2 025.00
04-Jul-12	1 082.00	1 047.00	1010.970	986.270	746.028	704.128	2 094.00	1 912.00
01-Aug-12	1 104.00	1 069.00	1025.590	1000.890	761.028	719.128	2 146.00	1 964.00
05-Sep-12	1 197.00	1 162.00	1094.590	1069.890	834.028	792.128	2 275.00	2 093.00
03-Oct-12	1 220.00	1 185.00	1133.750	1109.050	867.028	825.128	2 272.00	2 090.00
07-Nov-12	1 210.00	1 175.00	1143.950	1119.250	870.028	828.128	2 273.00	2 091.00
05-Dec-12	1 201.00	1 166.00	1138.950	1114.250	866.028	824.128	2 238.00	2 056.00
02-Jan-13	1 186.00	1 151.00	1111.370	1086.670	849.028	807.128	2 229.00	2 047.00
06-Feb-13	1 227.00	1 192.00	1129.170	1104.470	875.028	833.128	2 302.00	2 120.00
06-Mar-13	1 308.00	1 273.00	1187.550	1162.850	932.028	890.128	2 420.00	2 238.00
03-Apr-13	1 320.00	1 283.00	1196.610	1170.010	906.228	860.328	2 365.00	2 183.00
01-May-13	1 247.00	1 210.00	1141.050	1114.450	848.228	802.328	2 284.00	2 102.00
05-Jun-13	1 239.00	1 202.00	1137.070	1110.470	849.228	803.328	2 289.00	2 107.00
03-Jul-13	1 323.00	1 286.00	1215.270	1188.670	924.228	878.328	2 418.00	2 236.00
07-Aug-13	1 355.00	1 318.00	1248.230	1221.630	949.228	903.328	2 440.00	2 258.00
04-Sep-13	1 350.00	1 313.00	1262.050	1235.450	974.228	928.328	2 449.00	2 267.00
02-Oct-13	1 330.00	1 293.00	1260.050	1233.450	970.228	924.328	2 409.00	2 227.00
06-Nov-13	1 302.00	1 265.00	1244.850	1218.250	954.228	908.328	2 368.00	2 186.00
04-Dec-13	1 319.00	1 282.00	1254.970	1228.370	970.728	924.828	2 386.00	2 204.00
01-Jan-14	1 357.00	1 320.00	1287.150	1260.550	1009.728	963.828	2 442.00	2 260.00
05-Feb-14	1 396.00	1 359.00	1311.350	1284.750	1021.728	975.828	2 496.00	2 314.00
05-Mar-14	1 432.00	1 395.00	1338.550	1311.950	1037.728	991.828	2 554.00	2 372.00
02-Apr-14	1 439.00	1 398.00	1329.750	1299.150	1003.228	953.028	2 532.00	2 350.00
07-May-14	1 424.00	1 383.00	1299.970	1269.370	984.228	934.028	2 528.00	2 346.00
04-Jun-14	1 402.00	1 361.00	1276.390	1245.790	974.228	924.028	2 501.00	2 319.00
02-Jul-14	1 433.00	1 392.00	1290.390	1259.790	997.228	947.028	2 559.00	2 377.00
06-Aug-14	1 433.00	1 392.00	1284.770	1254.170	990.228	940.028	2 547.00	2 365.00
03-Sep-14	1 366.00	1 325.00	1259.390	1228.790	971.228	921.028	2 439.00	2 257.00
01-Oct-14	1 361.00	1 320.00	1246.390	1215.790	957.228	907.028	2 451.00	2 269.00
05-Nov-14	1 316.00	1 275.00	1185.390	1154.790	905.228	855.028	2 346.00	2 164.00
03-Dec-14	1 247.00	1 206.00	1132.090	1101.490	855.928	805.728	2 221.00	2 039.00
07-Jan-15	1 124.00	1 083.00	1028.090	997.490	747.928	697.728	2 011.00	1 829.00
04-Feb-15	1 031.00	990.00	926.090	895.490	645.928	595.728	1 861.00	1 679.00
04-Mar-15	1 127.00	1 086.00	1000.090	969.490	718.928	668.728	2 015.00	1 833.00
01-Apr-15	1 289.00	1 246.00	1122.790	1090.090	743.828	690.828	2 100.00	1 918.00
06-May-15	1 289.00	1 246.00	1117.790	1085.090	738.828	685.828	2 117.00	1 935.00
03-Jun-15	1 336.00	1 293.00	1166.790	1134.090	780.828	727.828	2 217.00	2 035.00
01-Jul-15	1 377.00	1 334.00	1170.790	1138.090	786.828	733.828	2 273.00	2 091.00
05-Aug-15	1 326.00	1 283.00	1094.970	1062.270	716.828	663.828	2 184.00	2 002.00
02-Sep-15	1 257.00	1 214.00	1040.970	1008.270	661.828	608.828	2 069.00	1 887.00
07-Oct-15	1 261.00	1 218.00	1093.970	1061.270	711.828	658.828	2 080.00	1 898.00
04-Nov-15	1 239.00	1 196.00	1084.970	1052.270	709.828	656.828	2 033.00	1 851.00
02-Dec-15	1 240.00	1 197.00	1081.170	1048.470	710.028	657.028	2 029.00	1 847.00
06-Jan-16	1 237.00	1 194.00	1005.170	972.470	647.028	594.028	2 074.00	1 892.00
03-Feb-16	1 243.00	1 200.00	943.170	910.470	588.028	535.028	2 075.00	1 893.00
02-Mar-16	1 174.00	1 131.00	958.170	925.470	605.028	552.028	1 955.00	1 773.00
06-Apr-16	1 262.00	1 214.00	1053.870	1015.470	662.628	608.028	2 065.00	1 883.00
04-May-16	1 274.00	1 226.00	1052.870	1014.470	655.628	601.028	2 060.00	1 877.00
01-Jun-16	1 326.00	1 278.00	1128.870	1090.470	717.628	663.028	2 158.00	1 976.00
06-Jul-16	1 334.00	1 286.00	1170.870	1132.470	760.628	706.028	2 170.00	1 988.00
03-Aug-16	1 235.00	1 187.00	1096.870	1058.470	694.628	640.028	2 010.00	1 828.00
07-Sep-16	1 217.00	1 169.00	1048.870	1010.470	647.628	593.028	2 001.00	1 819.00
05-Oct-16	1 260.00	1 212.00	1071.870	1033.470	669.628	615.028	2 059.00	1 877.00
02-Nov-16	1 305.00	1 257.00	1134.870	1096.470	726.628	672.028	2 118.00	1 936.00
07-Dec-16	1 285.00	1 237.00	1102.830	1064.430	698.588	643.988	2 101.00	1 913.00
04-Jan-17	1 333.00	1 285.00	1141.830	1103.430	741.588	686.988	2 207.00	2 019.00
01-Feb-17	1 362.00	1 314.00	1162.830	1124.430	758.588	703.988	2 228.00	2 040.00
01-Mar-17	1 354.00	1 306.00	1160.830	1122.430	750.588	695.988	2 226.00	2 038.00